

## Executive Summary of Cooperative Workshop

Athens, 6<sup>th</sup> March 2015

30 cooperative participants came together on Friday, March 6, in Athens on invitation by KAPA Network in Ioannina and Cooperatives Europe based in Brussels and financed via the German-Greek Assembly.

The objective of the workshop was to provide the platform for Greek co-operators to tell their individual cooperative story, in order to come up with a joint agenda for action for cooperatives in Greece. The below report provides more detailed elements of those discussions.

A clear strategy for cooperative development forward was sketched focusing on two principal axes:

### **A. Political Agenda for Cooperatives in Greece**

A1 – A modern general cooperative law as the umbrella for all sectoral cooperative laws

A2 – A regional cooperative business support network

A3 – A Greek Cooperative Association as Representative of Cooperatives in Greece

### **AND**

### **B. Business Agenda for Cooperative Development in Greece**

B1 – Capacity Building of Cooperative Enterprises

B2 – Financing of cooperative enterprises

## NEXT STEPS

Now is the time for co-operators in Greece to step forward and provide leadership in getting those matters moving. It does require the willingness to cooperate with other co-operators, admitting not knowing it all and the ability to formulate joint positions. First next actions were discussed like:

- A national cooperative conference to push forward the Political Agenda
- Regional capacity workshops should kick-start the Business Agenda

In order to achieve those next steps, different skills will be required (organisational, political, business, etc.). They were all there in Athens and potential partners as well. Cooperatives Europe as well as some its members are on stand-by to provide support, when it comes to providing legal expertise, networking opportunities or the support of national conferences and/or regional workshops.

# Cooperative Workshop Report

## Athens, 6th March 2015

### **1. Context**

Hundreds of new cooperatives have been created in Greece over the last years, partly as a consequence of the economic & financial crisis and partly due to new legislation on social cooperatives in 2011. At the same time, the Greek cooperative economy is relatively weak in comparison to other European countries. It does not provide a common voice to all Greek cooperatives due to the absence of a national Greek cooperative movement.

Based on their yearlong cooperation, Cooperatives Europe and KAPA Network jointly organised a cooperative workshop in Athens on March 6, 2015 with financial support from the German-Greek Assembly (DGV), in order to bring cooperatives from different sectors and regions of Greece together.

### **2. Objectives of cooperative workshop**

The aim of the workshop on March 6 was three-fold:

1. Provide overview of cooperative landscape and opportunities in Europe
2. Exchange with Greek cooperators on key challenges for cooperatives in Greece
3. Develop priorities for cooperative development in Greece and follow-up actions

### **3. Participants**

In total 30 people participated at the workshop including cooperatives, cooperative associations as well as research organisations from the main regions in Greece (Attica, Cycladic Islands, Crete, Peloponnese, Epirus, Thessaly, Macedonia and Thrace)

### **Cooperative Associations**

- Association Cooperative Banks
- Cooperative Federation of Associations of Pharmacists

### **Cooperative Enterprises**

- Halandri Parents Soc Cooperative Enterprise
- Alternative
- Eu Zin
- 180 Moires
- Energy Cooperative Sifnos
- Philadelphia
- Trakon Amnos
- Cooperative Movement 136
- Cooperative Bios Coop
- Cooperative BIOME
- Cooperative Thes Gala
- Cooperative Thessto
- Cooperative Eukarpon
- Cooperative I recycle at source

### **Cooperative Research Networks**

- KAPA Network
- KANEP
- Cooperative Research Institute
- per2per Lab Peering Movement

## **4. Main Elements of Discussion at Workshop**

Klaus Niederlander, Director of Cooperatives Europe provided an overview of the cooperative landscape in Europe, reminding participants of the role and principles of cooperatives and finally providing some cooperative development opportunities (see relevant powerpoint presentation)

Each of the participants provided a brief introduction about their organisation and the key cooperative challenges.

A summary report can never truly reproduce the richness of information provided during this 4-hour workshop discussions. Therefore no specific personal contributions shall be reproduced here, but only some elements of the discussions being summarised below:

### **Importance of new cooperative legislator framework:**

- The cooperative law is an important factor to give stability. It should be up to the people to choose if they opt for a cooperative or another type of enterprise.

- The problem that cooperatives are facing is that the political parties have handled issues very badly. It is important to convince political decision makers about it.
- One challenge we took as a cooperative was to bring together the products of the single farmers to commercialise them better. The problem is the legislation and taxation system, which is not stable at all. Another issue is the training of the people who are participating in the cooperative, and we believe that the experience in Europe can help.
- The political parties were very hostile on cooperative autonomy. It was very difficult to set up cooperatives – all cooperatives should be created to cover social, cultural and economic needs of the people, and not for other purposes.
- Cooperative economy must be self-regulated. The resources, which should go to the social economy, went to the state bodies and the usual private sector.
- There has been bitterness about the institutional framework for cooperatives for many decades. The legal frame got even worse during the last 5 years, making laws, which are against the cooperative values and principles.
- All the principles of cooperatives are known and elaborated. The problems, which the cooperative movement is facing in Greece, are also not new and exist in different countries. There is a need for a single cooperative legal framework in Greece – this one has to be connected with the broader social economy legislation. There is a huge issue with share capital. There needs to be legislation for all types of cooperatives. There is a need for cooperative institutional structures to work with the state. The legislation on social cooperatives is incomplete and not good, it is completely distorted. There are obstacles such as the arbitrary imposition of 20 members in rural cooperatives and 15 or 100 for the establishment of an urban cooperative. There needs to be a connection with the other social economy movements in Greece. There will be no change in Greece unless there is a common move by all the actors to trigger a political change. And this needs to be connected with the other EU cooperative movement.
- The legal form of cooperatives is always a question mark, which jeopardizes the sound functioning of the cooperative as enterprises. The diversity of enterprises makes the economy more resilient – also therefore, there is a need to establish cooperative enterprises along with other forms of societies.

### **Cooperative training is another important element**

- We need to know how to run cooperatives if we want to establish them.
- The cooperative factory is based on multi-sector actions. The biggest problem is the training, and it has to come bottom-up.

### **Many cooperative business opportunities in Greece**

- Only 4% of the rubbish is recycled in Greece. The rubbish, which has been collected by the enterprise in one region, has shown tremendous benefits and we could do similarly in other parts of the country.
- The principles of direct democracy could be applied in the consumer cooperative. Already, 84% of agricultural products from different producers, marketed directly to consumers, without intermediaries.

- We need proposals with regard to the privatisation of public enterprises, which could be in the hands of citizens, and not in a foreign capital.
- In 2008 the Union of Greek Workers Consumers, in cooperation with the Center for Development of Educational Policy (KANEP) organised workshops for the cooperative business model for the whole of Greece.

### **Lack of cooperation culture in Greek society**

- 25 primary coops compose the pharmacy cooperatives in Greece. The main challenge is to get sustainable in the future. One of the measures to tackle it was to create an own brand in the sector. There is a lack of adequate cooperative training.
- Renewable energy cooperative is a concept, which is always linked to suspicion, because of the image. The main problem is access to credit to set up renewable energy cooperatives.
- Social cooperatives in schools are to support the education of the kids. There is a lack of cooperation and collaboration, and a misunderstanding of the cooperative model, which we need so much, especially in these times of crisis.
- There will be no change in Greece unless there is a common move by all the actors to trigger a political change. And this needs to be connected with the other EU cooperative movement.

## **5. The Way Forward**

While cooperative discussions always spark a wide variety of issues, be they local/regional or national, sector-specific or general, business, research & training or legal framework related, the workshop did bring out two concrete work streams for supporting the development of cooperatives in Greece.

### **A. Political Agenda for Cooperatives in Greece**

#### **A1 – A modern general cooperative law as the umbrella for all sectorial cooperative laws**

Cooperatives are businesses and for any kind of business to flourish, develop and fulfil its purpose, it requires a stable, clear, modern and ideally event progressive legal & regulatory framework.

Cooperative legislation in Greece is very weak with a dysfunctional general cooperative law in civil cooperatives, an agricultural cooperative law to be overhauled and a new social cooperative law, which has many shortcomings. It will therefore be of greatest importance to Greek cooperatives to lobby for a new general cooperative law, which states clearly:

- What a cooperative is (and possibly what is not!) in line with established European and international recommendations (like ILO Recommendation 193/2002 ).
- How a cooperative functions (role of different statutory bodies)

- How a cooperative is registered
- How a cooperative is audited
- Etc.

General cooperative model laws exist as a starting point, which then can be enriched with other country experiences and above all the local Greek cooperative context.

## **A2 – A regional cooperative business support network**

In order to stimulate the creation of new cooperatives, but above all accompanying next and existing cooperatives in their business development, there is a great need for social and institutional capital at regional level. There are numerous examples from other European countries, how such infrastructure can be build. At the same time, it requires the attention of policymakers, in order to funnel their upfront financial and institutional support.

## **A3 – A Greek Cooperative Association as Representative of Cooperatives in Greece**

In order to start moving on the above two-tier political objectives, it will require cooperatives in Greece to constitute a representative cooperative body at national level.

Government/policymakers need a representative counterpart, in order to work together on legislative and/or regulatory matters related to cooperatives.

There are different ways of constituting such a national representation, however there can only be ONE.

## **B. Business Agenda for Cooperative Development in Greece**

### **B1 – Capacity Building of Cooperative Enterprises**

Most cooperative enterprises in Greece are not only small, but many even young (when leaving some of the old cooperative structures apart, which are currently being restructured as in classic agriculture). They therefore often act in isolation and have little access to training and development or national or European cooperative networks.

Targeted general cooperative business as well as sector specific (e.g. tourism, retail, organic agriculture, etc.) capacity building for cooperatives will be required, for which the regional level seems the most adequate.

## **B2 – Financing of cooperative enterprises**

Cooperative enterprises have restricted sources of funding, mainly from their members. However, in some sectors some larger capital investments are necessary to operate efficiently, which member subscriptions won't achieve, unless some innovative financing mechanisms (like community shares or subordinated loans) are possible. Financing of cooperatives is not only an operational matter, but also a regulatory one to be addressed on the political agenda. In order to manage the risk of investing into cooperatives, there is a need for a strong cooperative law, ideally coupled with a specific cooperative auditing requirement, in order to secure member and other investor funds.

## **6. Next Steps**

### **Political Agenda**

The workshop was followed by a meeting of the workshop organisers (KAPA Network and Cooperatives Europe) with the Ministry of Labour and of Economics. There is certainly an interest about cooperatives at the operational level, while it remains to be seen, if there will be a true cooperative policy at government level. Yet, the idea of a national cooperative conference has been openly discussed, in order to bring up the key legislative/regulatory matters for cooperatives to develop a joint policy roadmap forward.

There is, however, one important condition for this to happen: At least the beginning of a Greek cooperative representative body, in order to push for this conference to happen and associate partners with them.

Cooperatives Europe has reconfirmed its proposal to provide legal experts for a new general cooperative law and to be a partner within the national cooperative conference.

Cooperatives in Greece now need to come together at regional level, in order to build a national body from the bottom up. Time is running!

### **B. Business Agenda**

First contacts between Greek cooperatives and other European counterparts have been established, like the participation of a Greek cooperative at the Milan 2015 expo on invitation of the Italian Cooperative Alliance.

What is needed now are regional capacity building workshops. The financiers of this cooperative workshop have shown interest in sponsoring such a regional workshop. A first proposal is currently in development.



## **7. Conclusions**

A workshop is only as good as its participants and especially as good as the enthusiasm it creates between the participants to do things together.

The co-organizers of the event are there to support Greek cooperatives, but the actual actions lie in their own hands.

Cooperation is all about being united in diversity. Let's recognize our differences and then move on to cooperative together in fulfilling the above agenda.

Brussels and Ioannina on March 12, 2015  
Cooperatives Europe and KAPA Network